

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6057

BILL NUMBER: HB 1296

DATE PREPARED: Dec 1, 2000

BILL AMENDED:

SUBJECT: Handgun Permits and Transfers.

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FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill prohibits the issuance of a license to carry a handgun to a person less than 21 years of age (instead of 18 years of age). It prohibits a person from selling, giving, or in any other manner transferring the ownership or possession of a handgun or assault weapon to a person less than 21 years of age (instead of 18 years of age).

Effective Date: July 1, 2001.

Explanation of State Expenditures: This bill would make it a Class B misdemeanor to issue a handgun license to a person less than 21 years of age. It would also make it a Class C felony for an illegal transfer or sale of a handgun to a person under 21 years of age.

Class C Felony- A Class C felony is punishable by a prison term ranging from two to eight years depending upon mitigating and aggravating circumstances. The average expenditure to house an adult offender was \$20,700 in FY 1999. Individual facility expenditures ranged from \$14,936 to \$37,807. (This does not include the cost of new construction.) If offenders can be housed in existing facilities with no additional staff, the average cost for medical care, food, and clothing is approximately \$1,825 annually, or \$5 daily, per prisoner. The average length of stay in Department of Correction (DOC) facilities for all Class C felony offenders is approximately two years.

Explanation of State Revenues: Reduction in Licenses- By raising the legal age of handgun licensing from 18 to 21 years, approximately 3,000 fewer permits would be issued annually (based on 3,058 licenses sold in 1999 for this age group). This would result in an annual revenue loss to the State of approximately \$45,000.

The State Police charge a fee of \$15 for unlimited handgun licenses. A total of 70,000 to 80,000 licenses are issued each year. Licensing fees are deposited into the state General Fund.

Class C Felony- If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class C felony is \$10,000; for a Class B misdemeanor it is \$1000. Criminal fines are deposited in the Common School Fund. If the case is filed in a circuit, superior, or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund.

Explanation of Local Expenditures: Class C Felony- If more defendants are detained in county jails prior to their court hearings, local expenditures for jail operations may increase. Also, a Class B misdemeanor carries a maximum 180-day jail sentence. The average cost per day is approximately \$44.

Explanation of Local Revenues: Reduction in Licenses- If the minimum licensing age is raised from 18 to 21 years, local law enforcement agencies' licensing revenue would be reduced by approximately \$30,000 annually (based on the current \$10 fee per license). Registration fees are deposited into each law enforcement agency's firearms training fund or appropriate training activities funds.

Class C Felony- If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

State Agencies Affected: Department of Correction.

Local Agencies Affected: Trial Courts, Law Enforcement Agencies.

Information Sources: Indiana Sheriffs Association, Department of Correction, Steve Hillman, State Police (317) 232-8204.